

A G E N D A



Recommendation for Council Action (Real Estate)

Austin City Council

Item ID:

71877

Agenda Number

14.

Meeting Date:

June 8, 2017

Department:

Office of Real Estate Services

Subject

Authorize negotiation and execution of a 60-month lease agreement for approximately 480 square feet of rack space and 200 square feet of support space for a data center in an amount not to exceed \$1,481,914.80.

Amount and Source of Funding

No funding is required in FY2016-2017. Funding for the remaining lease term is contingent upon available funding in future Communication and Technology Management budgets.

Fiscal Note

A fiscal note is not required.

Purchasing
Language:

Prior Council
Action:

For More
Information:

Stephen Elkins, Communication and Technology Management, (512) 974-1644; Lauraine Rizer, Office of Real Estate Services, (512) 974-7078; Megan Herron, Office of Real Estate Services, (512) 974-5649.

Boards and
Commission
Action:

MBE / WBE:

Related Items:

Additional Backup Information

The primary Communication and Technology Management (“CTM”) data center serves both internal and external facing applications and is 24 years old. Based on assessments of the primary data center, CTM recommends moving to a modern colocation data center.

In 2016, CTM contracted with Hewlett Packard Enterprises (“HPE”) to perform an analysis of the local colocation providers, and based on numerous objective criteria, HPE recommended that CTM relocate its data center to space within one of three particular colocation data centers whose redundant power architecture and purpose-built facilities protect against the loss of data connectivity, even in times of natural disaster or catastrophe.

The proposed 60-month lease agreement is for a 60kW power commitment at a monthly rate of \$12,000 for the first year, with 3% annual increases thereafter. The Owner will provide the necessary two (2) connections (\$150/per connection per month) to the Greater Austin Area Telecommunications Network at a total rate of \$300 per month. In addition, the facility will provide the City 200 square feet of dedicated space on site to store, stage, and prepare equipment, at a rate of \$1,200 per month plus an additional cost of \$300 per month for two (2) connections (\$150/per cross connect per month) to manage onsite server equipment. The Owner will provide and install the cage and rack equipment and will construct the support space at an estimated cost of \$60,887.

The table below illustrates the estimated annual costs for the space.

Agreement Term	Rack Space Rent	Support Area Rent	Other Expenses*	Annual Est. Total
01/01/18 – 12/31/18	\$144,000	\$14,400	\$68,087	\$226,487
01/01/19 – 12/31/19	\$148,320	\$14,400	\$7,200	\$169,920
01/01/20 – 12/31/20	\$152,769.60	\$14,400	\$7,200	\$174,369.60
01/01/21 – 12/31/21	\$157,352.69	\$14,400	\$7,200	\$178,952.69
01/01/22 – 12/31/22	\$162,073.27	\$14,400	\$7,200	\$183,673.27
Total Amount:	\$1,070,322	\$72,000	\$92,607	\$1,234,929
+ 20% Contingency**				\$246,985.80
Total RCA Request:				\$1,481,914.80

* - Including estimated cost of equipment purchase and installation, plus construction of the support space.

** - Possible future expenses may include temporary electricity use increases while transitioning new equipment but before removing old equipment or buildout of new racks or network connection by provider. These potential future expenses would be covered by the 20% contingency authorization.

By utilizing space within a colocation center, other City departments that have information technology equipment in various small departmental data centers can be consolidated with CTM's equipment in a single secured cage within the colocation facility. Participation by various other City departments will save both operational, capital and administrative costs. At this time, it is planned that the Combined Transportation, Emergency, & Communications Center backup facility will be moving into the colocation space with CTM. Accordingly, the proposed master service agreement includes a right of first refusal for the City to expand into additional rack space in the future if needed. There is no charge for the right of first refusal.

The Strategic Facilities Governance Team reviewed and approved this facility request.